

CONTRACT #5
RFS # N/A
UT Tracking #91974

University of Tennessee

VENDOR:
Internal Medicine Education
Foundation



RECEIVED

October 17, 2005

AUG 18 2005

FISCAL REVIEW

Mr. Jim White
Executive Director
Fiscal Review Committee
G-19 War Memorial Building
Nashville, TN 37243-0057

Dear Mr. White:

Each year the Health Science Center enters into contracts with various affiliated medical practice groups to provide supervision of residents training. All contracts are funded by the hospitals where the residents will be assigned.

The following four sole-source contracts are submitted for review by the Fiscal Review Committee in accordance with Public Chapter 413, Public Acts of 2003.

Contract with UT Medical Group

The Accreditation Council for Graduate Medical Education requires around-the-clock faculty presence in hospitals when residents are providing obstetrics and gynecology services. In accordance with the university's affiliation agreement with the UT Medical Group (UTMG), UTMG is the sole provider under which OB/GYN patient care activities of the university's full-time faculty members shall be conducted. Patient care activities are defined as medical, medical administrative, educational and related professional services to hospitals.

This contract is for supervision of OB/GYN residents at the Baptist Women's Hospital. The FY 2006 maximum liability for the contract is \$350,000. This contract is a renewal of the agreements previously approved by the Fiscal Review on December 18, 2003 and June 17, 2004.

Contract with Campbell Clinic

In May 2003, Campbell Clinic and the University of Tennessee entered into an affiliation agreement to develop a joint UT/Campbell Clinic Department of Orthopedic Surgery in the Health Science Center's College of Medicine. This agreement states that Campbell Clinic will be responsible for all orthopedic surgery education, residency training, research, and patient care programs of the College of Medicine.

The affiliation contract stipulates that residency supervisory functions be carried out by the Campbell Clinic faculty and will be compensated through contracts between the affiliated hospitals and the University of Tennessee. This contract compensates Campbell Clinic for the faculty supervision of orthopedic residents for the period July 1, 2005 through June 30, 2006 in the amount of \$783,500. This contract is a renewal of the agreements previously approved by the Fiscal Review Committee on October 9, 2003 and June 17, 2004.

Contract with Semmes-Murphey Neurologic and Spine Institute

The university has a relationship with Semmes-Murphey Neurologic and Spine Institute that is over forty years old. Semmes-Murphey provides the most highly experienced and academically trained neurologists and neurosurgeons in the region. They are the only physician group in the region with the credentials required to provide the needed services.

Signed in January 1987, the affiliation agreement between the university and Semmes-Murphey establishes the relationship by which the university obtains faculty supervision of neurology and neurosurgery residents caring for patients at the Regional Medical Center in Memphis. The contract, which provides services for July 1, 2005 through June 30, 2006 is in the amount of \$325,000. This contract is a renewal of the agreements previously approved by the Fiscal Review Committee on December 18, 2003 and June 1, 2004.

Contract with Internal Medicine Education Foundation

This contract is for supervision of internal medicine residents who are training at the Erlanger Hospital in Chattanooga. The contract is necessary because there is not a sufficient number of paid faculty in the College of Medicine – Chattanooga Unit to provide adequate teaching and supervision across the numerous subspecialties of internal medicine. The Foundation arranges for individual physicians and physician groups to provide training and supervision in the following subspecialties: allergy, cardiology, consultative medicine, dermatology, geriatrics, neurology, and rheumatology.

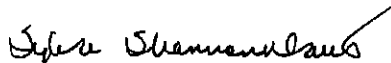
The contract is non-competitive because there is no other clinical practice in Chattanooga that has the resources to provide the supervision coverage required at Erlanger Hospital. The maximum liability for this contract, which covers the period of July 1, 2005 through June 30, 2006 is \$406,044. This contract is a renewal of the prior fiscal year's agreement approved by the Fiscal Review Committee on January 26, 2005.

Mr. Jim White
Page three
October 17, 2005

Each year the Health Science Center enters into contracts with various affiliated medical practice groups to provide supervision of residents training. All contracts are funded by the hospitals and remain relatively unchanged from year to year and reflect on-going activities between the university and affiliated partners. Given these agreements are continuous in nature and have all previously been approved at least once, as noted above, by the Fiscal Review Committee we respectfully ask the Committee's consideration to pre-approve future contracts if the terms and conditions, excluding the contractual not to exceed amount, remains unchanged.

Please let me know if you or others have questions or need additional information for the attached contracts.

Sincerely,



Sylvia Shannon Davis
Vice President for Administration and Finance

Attachment

c: Dr. John Petersen
Mr. Anthony Haynes
Dr. William F. Owen, Jr.

THE UNIVERSITY OF TENNESSEE
JUSTIFICATION FOR NON-COMPETITIVE PURCHASES AND CONTRACTS
Values of \$50,000 or More

Contract Tracking Number

Requisition Number for Items Processed through Purchasing:

91974
~~89 Int. Med. Fdn. 05-06 Clay~~

This form must be completed for all non-competitive purchases for goods or services that are secured either through a purchasing requisition or a contract for expenditures of \$50,000 or more. This form and any other documents that support the justification of a non-competitive purchase must be approved in advance of securing the goods or services. Approvals include the Department Head, Director of Purchasing, and the Chief Business Officer or their designees. The Chancellor or Vice President or designee must approve expenditures of \$100,000 or more. The Vice President for Administration and Finance, or designee, must approve expenditures of \$250,000 or more.

Non-competitive service contracts, including amendments that cumulatively exceed \$250,000 must be routed to the Tennessee Legislative Fiscal Review Committee for comment. The Fiscal Review Committee has 15 days from the receipt of the contract information for comments. A minimum of 30 days will be required to process service contracts exceeding \$250,000.

Information Related to the Purchase of the Goods or Services

1. Type of Request:

Non-Competitive Contract (Sole-Source) ☒
Contract thru Purchasing ☐
Requisition thru Purchasing ☐

2. Prepared By:

Name: Jane Clay
Email address: clayjh@erlanger.org
Phone No: 423-778-7840

3. Cost Center or WBS Element:

Name: UTCOM-CU
Number: E094505

4. Proposed Contractor or Vendor:

Name: Internal Medicine Education Foundation
Address (Street): 979 East Third St. Box 94
Address (City, State, and Zip Code): Chattanooga, TN 37403

5. Effective Date:

Beginning Date

July 1, 2005

Ending Date

June 30, 2006

6. Estimated Cost:

\$406,044.00

7. Source of Funds (e.g. state funds, federal funds, etc.):

Budget process with Erlanger Health System

8. Is this an amendment to an existing contract/purchase order?

☐ Yes

☒ No

9. If Yes,

Number of Original Contract/Purchase Order
Beginning Date of Original Contract/Purchase Order
Amount of Original Contract/Purchase Order
Accumulated Cost with this amendment

10. Describe the primary reason the University is entering into this contract/purchase

Services are necessary in order to meet the Residency Review Committee's educational requirements for residents in Internal Medicine

11. Describe the goods or service to be acquired.

Teaching services and general and sub-specialty Internal Medicine.

12. Is there an urgent need or an emergency preventing competitive methods?

☐ Yes

☐ No

☒ N/A

If yes, please explain:

13. Is there only one product or service that can meet the specific needs or must the product or service be provided by this particular source.

☒ Yes ☐ No ☐ N/A

If yes, please explain:

Teaching must be done by the clinical faculty of the Department of Internal Medicine. The number of paid faculty is inadequate to meet the teaching requirements for all sub-specialists.

14. Does proposed contractor or vendor have experience providing same or similar goods or services?

☒ Yes ☐ No

15. Has the department ever purchased these same goods or services from this vendor?

☒ Yes ☐ No

If yes, what procurement method was used? (Ex. Competitive, Non-Competitive, etc.)

non-competitive contract

16. If for services, was an effort made to use existing University employees to perform services?

☐ Yes ☒ No

If no, why not?

The Department of Internal Medicine does not have enough paid faculty to meet the education requirements.

17. Is the contract for services from another governmental unit, such as a State or federal agency, or from another college or university?

☐ Yes ☒ No

Justification

A complete justification must be provided to explain why the University should acquire the goods or services through non-competitive procurement request rather than through a competitive process. (Note: Being the "only known" or "best" is not deemed adequate justification.)

The Internal Medicine Foundation provides a unique service for the College of Medicine Chattanooga Unit. There are not a sufficient number of internal medicine paid faculty in the college to provide adequate teaching and supervision of residents at Erlanger Hospital across the numerous sub-specialties of internal medicine. The Foundation arranges for individual physicians and physician groups to provide training in the following sub-specialties: allergy, cardiology, consultative medicine, dermatology, geriatrics, neurology, and rheumatology.

The Internal Medicine Foundation is the only organization in Chattanooga that offers this service. Furthermore, the Foundation is a charitable organization established to enhance residency education in internal medicine and provides this unique service at or below their cost.

41974

THE UNIVERSITY OF TENNESSEE
CONTRACT

This Contract, made and entered into on May ____, 2005, documents the agreement between The University of Tennessee (the "University") through its College of Medicine, Chattanooga Unit ("UTCOM-CU") and the Internal Medicine Educational Foundation, Inc. (hereinafter Contractor).

This Contract consists of this cover page, the University's Standard Terms and Conditions, and 2 additional pages. Terms contained on this cover page and the University's Standard Terms and Conditions shall prevail over those of any attachment unless otherwise stated under "Other terms" below.

Contractor will arrange through contracts with individual physicians or physician groups, who are privileged as internists, for: (1) teaching for the following services: allergy, cardiology, consultative medicine, dermatology, geriatrics, neurology, private office, rheumatology, and attending teaching services for residents in the University Internal Medicine Residency Program; (2) "on-call" staffing for the team and night float housestaff at Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Medical Center ("Erlanger"); and (3) certain administrative services for and on behalf of the Department of Internal Medicine (the "Department") (collectively, the "Services"). As used herein, "teaching services" shall include, but not be limited to: the supervision and teaching of residents; serving as preceptors to train and supervise residents who are participating in the specialty clinic, if applicable; training and supervision of residents who are participating in Contractor's private practice, if applicable; participation in the didactic component of resident training, as applicable; participation in resident training rounds, as applicable to rotation; and providing consults for service patients. As used herein, administrative services shall mean those services in support of the Department as agreed to between the Contractor and UTCOM-CU, such as chief resident services.

The period of performance under this contract is from July 1, 2005 through June 30, 2006.

The University will compensate the Contractor: \$33,837.00 per month of Services furnished on behalf of Contractor. Contractor shall invoice University on a retrospective basis.


Other payment terms: None. Contractor may retain its collections in accordance with past practices and the policy of the Department.

The University's maximum liability under this Contract is \$406,044.00.

Other terms (N/A if none): (1) Each physician utilized by Contractor shall hold a faculty appointment with the UTCOM-CU; (2) Contractor shall complete and return to UTCOM-CU a monthly log of teaching services per physician on the form attached hereto as Exhibit A, as may be updated from time to time by University, except for teaching in outpatient clinics, which shall require a monthly log of teaching hours at the outpatient clinics; (3) Each party to this Contract represents and warrants that the compensation paid pursuant to this Agreement is and shall be based upon the fair market value of such services and has not been determined in a manner that takes into account or otherwise reflects referrals to, or other business generated by, Contractor or Contractor's physicians to either UTCOM or Erlanger; (4) Contractor hereby warrants that any physician receiving compensation for the performance of services pursuant to this agreement is, and shall continue to be, compensated based upon the fair market value of services rendered by that physician and not in a manner that takes into account or otherwise reflects referrals to, or other business generated by, such physician to either the University or Erlanger; and (5) Contractor shall, and shall require any subcontractor furnishing Services on behalf of Contractor to, perform such Services in accordance with the accreditation standards of the Accreditation Council for Graduate Medical Education.

In witness of their acceptance of the terms of this Contract, the parties have had this Contract executed by their duly authorized representatives.

FOR CONTRACTOR:


(Signature)
Clifton R. Cleaveland, M.D.

President, Int. Med. Fdn.
Address:
Internal Medicine Educational Foundation
975 East Third St. Box 94
Chattanooga, TN 37403
(423) 778-7817
Telephone No.
TIN-581314402
SS No. Or Fed Id. No.

FOR UNIVERSITY:

Department Name
UT College of Medicine - Chattanooga Unit

Responsible Account: E094505

Administrative Signatures


R.G. Blankenbaker, M.D., Assoc. Dean, Chatta. Unit


Chancellor, UT Health Science Center or Other Authorized
University Official

Raymond H. Colson
Vice Chancellor / Administration

STANDARD TERMS AND CONDITIONS

1. The University is not bound by this Contract until it is approved by the appropriate University official(s) indicated on the signature page of this Contract.
2. This Contract may be modified only by a written amendment which has been executed and approved by the appropriate parties as indicated on the signature page of this Contract.
3. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the University.
4. Unless otherwise indicated on the reverse, if this Contract provides for reimbursement for travel, meals or lodging, such reimbursement must be made in accordance with University travel policies.
5. The Contractor warrants that no part of the total Contract amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as officer, agent, employee, subcontractor, or consultant to Contractor in connection with any work contemplated or performed relative to this Contract, and that no employee or official of the State of Tennessee holds a controlling interest in the Contractor. If the Contractor is an individual, the Contractor certifies that he/she is not presently employed by the University or any other agency or institution of the State of Tennessee; that he/she has not retired from or terminated such employment within the past six months; and that he/she will not be so employed during the term of this Contract.
6. The Contractor shall maintain documentation for all charges against the University under this Contract. The books, records and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment, and shall be subject to audit, at any reasonable time and upon reasonable notice, by the University or the Comptroller of the Treasury, or their duly appointed representatives. These records shall be maintained in accordance with generally accepted accounting principles.
7. No person on the grounds of disability, age, race, color, religion, sex, national origin, veteran status or any other classification protected by Federal and/or Tennessee State constitutional and/or statutory law shall be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract. The Contractor shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to all employees and applicants, notice of non-discrimination.
8. The Contractor, being an independent contractor, agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all taxes incident to this Contract. The University shall have no liability except as specifically provided in this Contract.
9. The Contractor shall comply with all applicable Federal and State laws and regulations in the performance of this Contract.
10. This Contract shall be governed by the laws of the State of Tennessee, which provide that the University has liability coverage solely under the terms and limits of the Tennessee Claims Commission Act.
11. The Contractor shall avoid at all times any conflict of interests between his/her duties and responsibilities as a Contractor and his/her interests outside the scope of any current or future Contracts. The following principles define the general parameters of a conflict of interests prohibited by the University:
 - A. A Contractor's outside interests shall not interfere with or compromise his/her judgment and objectivity with respect to his/her duties and responsibilities to the University.
 - B. A Contractor shall not make or influence University decisions or use University resources in a manner that results in:
 - Financial gain outside any current or future Contracts for either the Contractor or his/her relatives or
 - Unfair advantage to or favored treatment for a third party outside the University.
 - C. A Contractor's outside financial interests shall not affect the design, conduct, or reporting of research.

The Contractor certifies that he/she has no conflicts of interests and has disclosed in writing the following:

 - A. Any partners or employees of the Contractor who are also employees of the University.
 - B. Any relatives of the Contractor's partners or employees who work for the University.
 - C. Any outside interest that may interfere with or compromise his/her judgment and objectivity with respect to his/her responsibilities to the University.
12. If the Contractor fails to perform properly its obligations under this Contract or violates any term of this Contract, the University shall have the right to terminate this Contract immediately and withhold payments in excess of fair compensation for completed services. The Contractor shall not be relieved of liability to the University for damages sustained by breach of this Contract by the Contractor.
13. It is understood by the Contractor that the University will possess all rights to any creations, inventions, other intellectual property, and materials, including copyright or patents in the same, which arise out of, are prepared by, or are developed in the course of the Contractor's performance under this Contract. The Contractor and the University acknowledge and agree that the Contractor's work under this Contract shall belong to the University as "work-made-for-hire" (as such term is defined in U.S. Copyright Law).

EXHIBIT A

EHS RESIDENT SUPERVISION SCHEDULE

| | |
|----------------------------|-----------------------------------|
| <i>[Name of Attending]</i> | <i>[Site of Service Delivery]</i> |
|----------------------------|-----------------------------------|

Month, Year

| Day of Month | Residents Supervised on that Day |
|--------------|----------------------------------|
| 1 | |
| 2 | |
| 3 | |
| 4 | |
| 5 | |
| 6 | |
| 7 | |
| 8 | |
| 9 | |
| 10 | |
| 11 | |
| 12 | |
| 13 | |
| 14 | |
| 15 | |
| 16 | |
| 17 | |
| 18 | |
| 19 | |
| 20 | |
| 21 | |
| 22 | |
| 23 | |
| 24 | |
| 25 | |
| 26 | |
| 27 | |
| 28 | |
| 29 | |
| 30 | |

By signing this document, I hereby certify that I supervised and engaged in teaching activities with respect to the residents named on the days listed.

Attending Name

Date

Please return this form to University of Tennessee College of Medicine--Chattanooga Unit to the attention of Jane Clay, Business Manager.

The Department of Internal Medicine certifies that the teaching activities listed did occur and meet the educational requirements for Internal Medicine as outlined by the Residency Review Committee and the terms of the contract.

Chairman

Date

The Rest of this Form is to be completed by Erlanger Health System

I hereby certify that: (i) to the best of my knowledge, information contained in this timesheet is accurate; and (ii) the non-provider site meets the requirements necessary to allow EHS to claim the resident's FTEs in its cost reports.

Reviewed and Approved:

EHS Administrator

Date